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The Aluminum Situation

DEPARTMENT OF ECONOMICS AND STATISTICS APRIL 1989

INDUSTRY SHIPMENTS INCREASE 8.5%

Total industry net shipments for first two months of 1989, reported at 2,692 million pounds, were up 8.5 percent from the two month 1988 total of 2,480 million pounds.

Domestic shipments of 2,361 million pounds were up 3.0 percent from the two month 1988 total of 2,293 million pounds.

Exports of ingot and mill products of 331 million pounds were up 76.3 percent from two months of 1988. Imports decreased 5.6 percent for the same period.

FEBRUARY 1989

	1989 2 Mos.	1988 2 Mos.	% Change
Mill Products	2,176	2,057	5.8
Ingot	516	423	21.9
Total	2,692	2,480	8.5
Less Exports	331	188	76.3
Domestic Total	2,361	2,293	3.0

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

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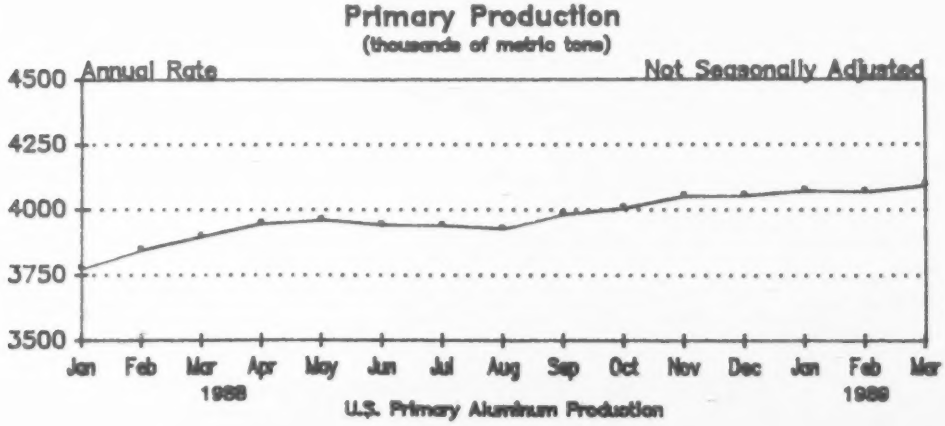
PRIMARY PRODUCTION DAILY RATE AVERAGES 11,218 METRIC TONS

U.S. primary aluminum production averaged 11,218 metric tons daily during March 1989. This compares with an average of 10,652 metric tons a day in March 1988 and 11,149 metric tons a day in February 1989. The annual rate of production in March 1989 was 4,094,652 metric tons compared with 3,898,715 metric tons in March 1988 and 4,069,307 metric tons in February 1989. Actual production in March 1989 was 347,765 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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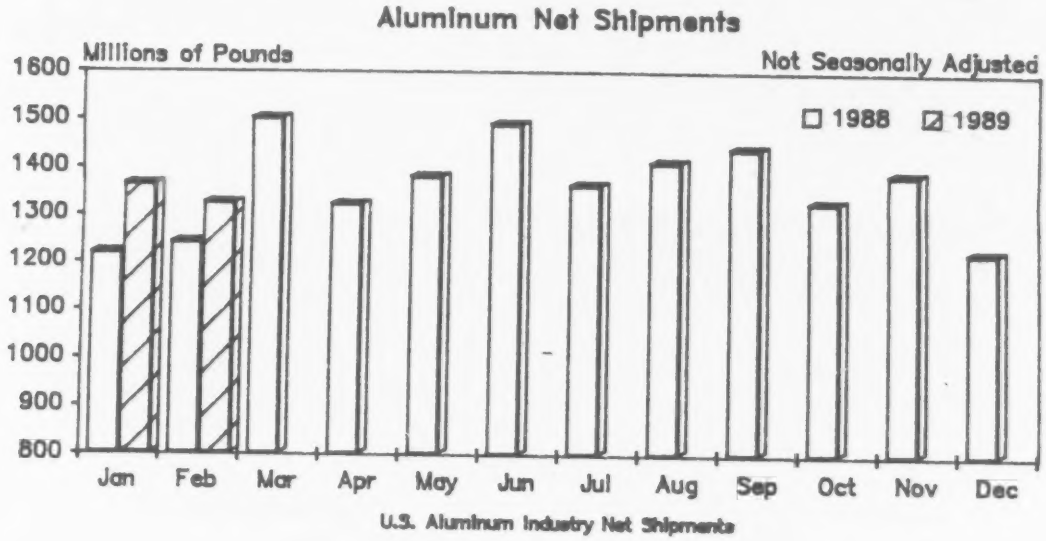
INDUSTRY NET SHIPMENTS INCREASE 8.5 PERCENT

Total industry net shipments for two months of 1989, reported at 2,692 million pounds, were up 8.5 percent from the two month 1988 total of 2,480 million pounds. Domestic shipments of 2,361 million pounds were up 3.0 percent from the two month 1988 total of 2,293 million pounds.

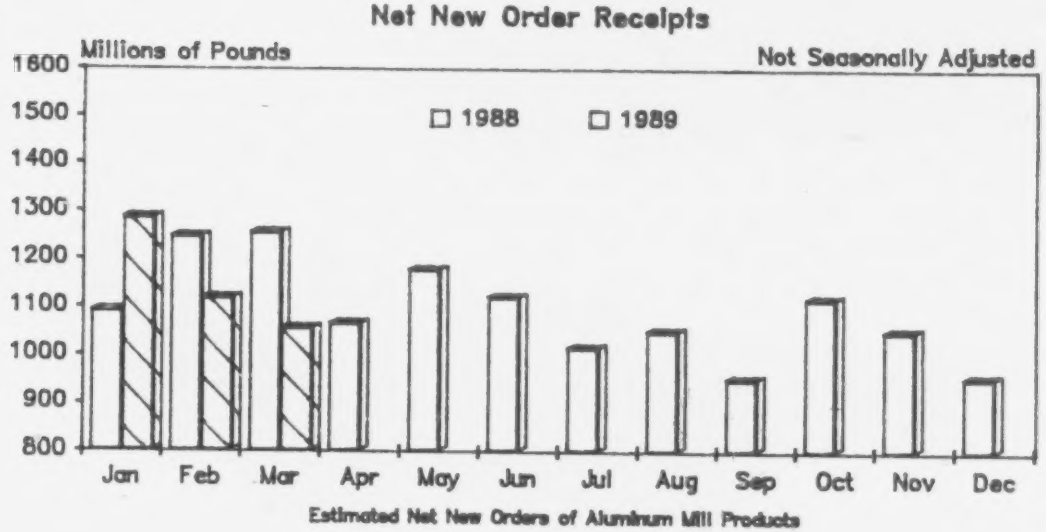


NET SHIPMENTS (Millions of Pounds)	1989 February	1988 February	1989 2 Mos.	1988 2 Mos.	% Change 1989 vs 1988
Sheet	603.0	546.1	1,180.3	1,067.3	10.6
Plate	26.7	23.3	52.5	46.0	14.2
Foil	81.2	79.7	159.2	156.5	1.8
Rod,Bar & Wire	18.9	27.7	40.7	61.9	-34.3
Elec. Conductor	54.0	53.5	116.0	102.3	13.4
Extruded Shapes,Tube	210.0	218.9	427.9	425.0	0.7
Powder & Paste	6.9	6.5	14.1	12.4	13.5
Forgings & Impacts	13.8	15.5	27.0	29.4	-8.1
Net Imports of Mill Products (Total) (a)	65.7	78.0	157.9	156.4	0.9
Total Mill Products	1,080.1	1,049.3	2,175.7	2,057.2	5.8
Ingot	246.0	199.7	515.8	423.2	21.9
TOTAL INDUSTRY SHIPMENTS	1,326.1	1,249.0	2,691.6	2,480.4	8.5
Exports	179.8	89.4	330.6	187.5	76.3
TOTAL DOMESTIC SHIPMENTS	1,146.3	1,159.6	2,361.0	2,292.9	3.0

Source: Bureau of the Census, U.S. Department of Commerce
(a) Not included in product data above.

NET NEW ORDER RECEIPTS INCREASE 3.0 PERCENT

Estimated net new order receipts of aluminum mill products for the first three months of 1989, totaling 3,465 million pounds, decreased 3.7 percent from a three month 1988 total of 3,597 million pounds. March order receipts of 1,058 million pounds declined 5.5 percent from February 1989 orders of 1,120 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1989 March	1988 March	1989 3 Mos.	1988 3 Mos.	% Change 1989 vs 1988
Sheet & Plate, Other	392.5	425.7	1,233.5	1,233.4	-
Can Stock	274.9	382.7	1,009.7	1,110.0	-9.0
Foil	84.8	89.7	258.3	276.4	-6.5
Bar, Rod & Wire	39.2	33.2	114.9	116.4	-1.3
Electrical Conductor	67.9	85.2	224.2	215.6	4.0
Extruded Shapes & Tube	177.8	215.3	559.0	584.9	-4.4
Powder & Paste	10.7	7.7	27.4	23.1	18.6
Forgings & Impacts	10.3	16.9	37.8	37.2	1.6
Total Mill Products	1,058.1	1,256.4	3,464.8	3,597.0	-3.7

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
(a) Domestic only. Orders for imports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DECREASE 32 MILLION POUNDS

Producer inventories decreased in February 1989 to an reported total of 4,157 million pounds. This represents an 32 million pound decrease from the revised January 1988 level of 4,189 million pounds.

Month-End Aluminum Producer Inventories
By Type of Producer
(Figures in Millions of Pounds)

	Total	Ingot	Scrap	All Other
December	4,199	1,410	663	2,126
January	4,189	1,451	550	2,188
February	4,157	1,430	525	2,202

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 35.5 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of February 28, 1989 was 35.5, up 2.0 percent from inventories reported at the end of January 1989.

Month-End Aluminum Consumer Inventories
(Average Number of Days)

December	35.5
January	34.8
February	35.5

Source: Aluminum Association - Customer Inventory Position Survey

U.S. IMPORTS & EXPORTS (Millions of Pounds)		1989* February	1988 February	1989* 2 Mos.	1988 2 Mos.	% Change 1989 vs 1988
Imports	Mill Products	66.0	81.2	160.0	160.8	-0.5
	Ingot	173.8	202.2	393.1	425.0	-7.5
	Total	239.8	283.3	553.1	585.8	-5.6
	Scrap (+ dross)	36.1	31.8	76.6	64.1	19.4
	Grand Total	275.9	315.1	629.7	649.9	-3.1
Exports	Mill Products	87.2	59.2	160.8	116.6	37.9
	Ingot	92.6	30.2	169.7	70.9	139.4
	Total	179.8	89.4	330.6	187.5	76.3
	Scrap	119.7	58.3	225.9	107.3	110.5
	Grand Total	299.5	147.7	556.4	294.8	88.7
Net Imports		-23.5	167.4	73.3	355.1	-79.4

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989